

CONFERENCE COMMITTEE REPORT FORM

Austin, Texas

May 26, 2017
Date

Honorable Dan Patrick
President of the Senate

Honorable Joe Straus
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on SB 1462 have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

J. J. Hinojosa
Juan Hinojosa, Chair

Eddie Lucio III
Eddie Lucio III, Chair

Paul Bettencourt
Paul Bettencourt

Charlie Geren
Charlie Geren

Brian Birdwell
Brian Birdwell

Garnett Coleman
Garnett Coleman

Donna Campbell
Donna Campbell

Linda Koop
Linda Koop

On the part of the Senate
Van Taylor

Dewayne Burns
On the part of the House
Dewayne Burns

Note to Conference Committee Clerk:
Please type the names of the members of the Conference Committee under the lines provided for signature. Those members desiring to sign the report should sign each of the six copies. Attach a copy of the Conference Committee Report and a Section by Section side by side comparison to each of the six reporting forms. The original and two copies are filed in house of origin of the bill, and three copies in the other house.

CONFERENCE COMMITTEE REPORT

3rd Printing

S.B. No. 1462

A BILL TO BE ENTITLED

AN ACT

relating to the creation and operation of certain local health care
provider participation programs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 288.151(b), Health and Safety Code, is
amended to read as follows:

(b) Not later than the fifth [~~10th~~] day before the date of
the hearing, the commission shall publish at least once notice of
the hearing in a newspaper of general circulation in the county in
which the district is located.

SECTION 2. Section 288.155(c), Health and Safety Code, is
amended to read as follows:

(c) Money deposited to the local provider participation
fund may be used only to:

(1) fund intergovernmental transfers from the
district to the state to provide:

(A) the nonfederal share of a Medicaid
supplemental payment program authorized under the state Medicaid
plan, the Texas Healthcare Transformation and Quality Improvement
Program waiver issued under Section 1115 of the federal Social
Security Act (42 U.S.C. Section 1315), or a successor waiver
program authorizing similar Medicaid supplemental payment
programs; or

(B) payments to Medicaid managed care

1 organizations that are dedicated for payment to hospitals;

2 (2) subsidize indigent programs;

3 (3) pay the administrative expenses of the district;

4 (4) refund a portion of a mandatory payment collected
5 in error from a paying hospital; ~~and~~

6 (5) refund to paying hospitals the proportionate share
7 of the money received by the district from the Health and Human
8 Services Commission that is not used to fund the nonfederal share of
9 Medicaid supplemental payment program payments; and

10 (6) refund to paying hospitals the proportionate share
11 of money that the district determines cannot be used to fund the
12 nonfederal share of Medicaid supplemental payment program
13 payments.

14 SECTION 3. Section 288.202, Health and Safety Code, is
15 amended to read as follows:

16 Sec. 288.202. ASSESSMENT AND COLLECTION OF MANDATORY
17 PAYMENTS. The district may collect or, using a competitive bidding
18 process, contract for the assessment and collection of mandatory
19 payments required under this chapter ~~[(a) Except as provided by~~
20 ~~Subsection (b), the county tax assessor-collector shall collect a~~
21 ~~mandatory payment required under this subchapter. The county tax~~
22 ~~assessor-collector shall charge and deduct from mandatory payments~~
23 ~~collected for the district a fee for collecting the mandatory~~
24 ~~payment in an amount determined by the commission, not to exceed the~~
25 ~~county tax assessor-collector's usual and customary charges.~~

26 ~~[(b) If determined by the commission to be appropriate, the~~
27 ~~commission may contract for the assessment and collection of~~

1 ~~mandatory payments in the manner provided by Title 1, Tax Code, for~~
2 ~~the assessment and collection of ad valorem taxes.~~

3 ~~[(c) Revenue from a fee charged by a county tax~~
4 ~~assessor-collector for collecting the mandatory payment shall be~~
5 ~~deposited in the county general fund and, if appropriate, shall be~~
6 ~~reported as fees of the county tax assessor-collector].~~

7 SECTION 4. Section 291.101(b), Health and Safety Code, is
8 amended to read as follows:

9 (b) Not later than the fifth ~~[10th]~~ day before the date of
10 the hearing required under Subsection (a), the commissioners court
11 of the county shall publish notice of the hearing in a newspaper of
12 general circulation in the county.

13 SECTION 5. Section 291.103(c), Health and Safety Code, is
14 amended to read as follows:

15 (c) Money deposited to the local provider participation
16 fund may be used only to:

17 (1) fund intergovernmental transfers from the county
18 to the state to provide:

19 (A) the nonfederal share of a Medicaid
20 supplemental payment program authorized under the state Medicaid
21 plan, the Texas Healthcare Transformation and Quality Improvement
22 Program waiver issued under Section 1115 of the federal Social
23 Security Act (42 U.S.C. Section 1315), or a successor waiver
24 program authorizing similar Medicaid supplemental payment
25 programs; or

26 (B) payments to Medicaid managed care
27 organizations that are dedicated for payment to hospitals;

(2) subsidize indigent programs;

(3) pay the administrative expenses of the county solely for activities under this chapter;

(4) refund a portion of a mandatory payment collected in error from a paying hospital; ~~and~~

(5) refund to paying hospitals the proportionate share of money received by the county from the Health and Human Services Commission that is not used to fund the nonfederal share of Medicaid supplemental payment program payments; and

(6) refund to paying hospitals the proportionate share of money that the county determines cannot be used to fund the nonfederal share of Medicaid supplemental payment program payments.

SECTION 6. Section 291.152, Health and Safety Code, is amended to read as follows:

Sec. 291.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. The county may collect or, using a competitive bidding process, contract for the assessment and collection of mandatory payments authorized under this chapter ~~[(a) Except as provided by Subsection (b), the county tax assessor-collector shall collect the mandatory payment authorized under this chapter. The county tax assessor-collector shall charge and deduct from mandatory payments collected for the county a fee for collecting the mandatory payment in an amount determined by the commissioners court of the county, not to exceed the county tax assessor-collector's usual and customary charges.~~

~~[(b) If determined by the commissioners court to be~~

1 ~~appropriate, the commissioners court may contract for the~~
2 ~~assessment and collection of mandatory payments in the manner~~
3 ~~provided by Title 1, Tax Code, for the assessment and collection of~~
4 ~~ad valorem taxes.~~

5 ~~[(c) Revenue from a fee charged by a county tax~~
6 ~~assessor-collector for collecting the mandatory payment shall be~~
7 ~~deposited in the county general fund and, if appropriate, shall be~~
8 ~~reported as fees of the county tax assessor-collector].~~

9 SECTION 7. Section 292.101(b), Health and Safety Code, is
10 amended to read as follows:

11 (b) Not later than the fifth ~~[10th]~~ day before the date of
12 the hearing required under Subsection (a), the commissioners court
13 of the county shall publish notice of the hearing in a newspaper of
14 general circulation in the county.

15 SECTION 8. Section 292.103(c), Health and Safety Code, is
16 amended to read as follows:

17 (c) Money deposited to the local provider participation
18 fund may be used only to:

19 (1) fund intergovernmental transfers from the county
20 to the state to provide:

21 (A) the nonfederal share of a Medicaid
22 supplemental payment program authorized under the state Medicaid
23 plan, the Texas Healthcare Transformation and Quality Improvement
24 Program waiver issued under Section 1115 of the federal Social
25 Security Act (42 U.S.C. Section 1315), or a successor waiver
26 program authorizing similar Medicaid supplemental payment
27 programs; or

1 (B) payments to Medicaid managed care
2 organizations that are dedicated for payment to hospitals;

3 (2) subsidize indigent programs;

4 (3) pay the administrative expenses of the county
5 solely for activities under this chapter;

6 (4) refund a portion of a mandatory payment collected
7 in error from a paying hospital; ~~and~~

8 (5) refund to paying hospitals the proportionate share
9 of money received by the county from the Health and Human Services
10 Commission that is not used to fund the nonfederal share of Medicaid
11 supplemental payment program payments; and

12 (6) refund to paying hospitals the proportionate share
13 of money that the county determines cannot be used to fund the
14 nonfederal share of Medicaid supplemental payment program
15 payments.

16 SECTION 9. Section 292.152, Health and Safety Code, is
17 amended to read as follows:

18 Sec. 292.152. ASSESSMENT AND COLLECTION OF MANDATORY
19 PAYMENTS. The county may collect or, using a competitive bidding
20 process, contract for the assessment and collection of mandatory
21 payments authorized under this chapter ~~[(a) Except as provided by~~
22 ~~Subsection (b), the county tax assessor-collector shall collect the~~
23 ~~mandatory payment authorized under this chapter. The county tax~~
24 ~~assessor-collector shall charge and deduct from mandatory payments~~
25 ~~collected for the county a fee for collecting the mandatory payment~~
26 ~~in an amount determined by the commissioners court of the county,~~
27 ~~not to exceed the county tax assessor-collector's usual and~~

1 ~~customary charges.~~

2 ~~[(b) If determined by the commissioners court to be~~
3 ~~appropriate, the commissioners court may contract for the~~
4 ~~assessment and collection of mandatory payments in the manner~~
5 ~~provided by Title 1, Tax Code, for the assessment and collection of~~
6 ~~ad valorem taxes.~~

7 ~~[(c) Revenue from a fee charged by a county tax~~
8 ~~assessor-collector for collecting the mandatory payment shall be~~
9 ~~deposited in the county general fund and, if appropriate, shall be~~
10 ~~reported as fees of the county tax assessor-collector].~~

11 SECTION 10. Section 293.001(1), Health and Safety Code, is
12 amended to read as follows:

13 (1) "Institutional health care provider" means a
14 nonpublic hospital that provides inpatient hospital services
15 ~~[licensed under Chapter 241]~~.

16 SECTION 11. Section 293.101(b), Health and Safety Code, is
17 amended to read as follows:

18 (b) Not later than the fifth ~~[10th]~~ day before the date of
19 the hearing required under Subsection (a), the commissioners court
20 of the county shall publish notice of the hearing in a newspaper of
21 general circulation in the county.

22 SECTION 12. Section 293.103(c), Health and Safety Code, is
23 amended to read as follows:

24 (c) Money deposited to the local provider participation
25 fund may be used only to:

26 (1) fund intergovernmental transfers from the county
27 to the state to provide:

1 (A) the nonfederal share of a Medicaid
2 supplemental payment program authorized under the state Medicaid
3 plan, the Texas Healthcare Transformation and Quality Improvement
4 Program waiver issued under Section 1115 of the federal Social
5 Security Act (42 U.S.C. Section 1315), or a successor waiver
6 program authorizing similar Medicaid supplemental payment
7 programs; or

8 (B) payments to Medicaid managed care
9 organizations that are dedicated for payment to hospitals;

10 (2) subsidize indigent programs;

11 (3) pay the administrative expenses of the county
12 solely for activities under this chapter;

13 (4) refund a portion of a mandatory payment collected
14 in error from a paying hospital; ~~[and]~~

15 (5) refund to paying hospitals the proportionate share
16 of money received by the county from the Health and Human Services
17 Commission that is not used to fund the nonfederal share of Medicaid
18 supplemental payment program payments; and

19 (6) refund to paying hospitals the proportionate share
20 of money that the county determines cannot be used to fund the
21 nonfederal share of Medicaid supplemental payment program
22 payments.

23 SECTION 13. Section 293.152, Health and Safety Code, is
24 amended to read as follows:

25 Sec. 293.152. ASSESSMENT AND COLLECTION OF MANDATORY
26 PAYMENTS. The county may collect or, using a competitive bidding
27 process, contract for the assessment and collection of mandatory

1 payments authorized under this chapter [~~(a) Except as provided by~~
2 ~~Subsection (b), the county tax assessor-collector shall collect the~~
3 ~~mandatory payment authorized under this chapter. The county tax~~
4 ~~assessor-collector shall charge and deduct from mandatory payments~~
5 ~~collected for the county a fee for collecting the mandatory payment~~
6 ~~in an amount determined by the commissioners court of the county,~~
7 ~~not to exceed the county tax assessor-collector's usual and~~
8 ~~customary charges.~~

9 [~~(b) If determined by the commissioners court to be~~
10 ~~appropriate, the commissioners court may contract for the~~
11 ~~assessment and collection of mandatory payments in the manner~~
12 ~~provided by Title 1, Tax Code, for the assessment and collection of~~
13 ~~ad valorem taxes.~~

14 [~~(c) Revenue from a fee charged by a county tax~~
15 ~~assessor-collector for collecting the mandatory payment shall be~~
16 ~~deposited in the county general fund and, if appropriate, shall be~~
17 ~~reported as fees of the county tax assessor-collector].~~

18 SECTION 14. Section 294.001(1), Health and Safety Code, is
19 amended to read as follows:

20 (1) "Institutional health care provider" means a
21 nonpublic hospital that provides inpatient hospital services
22 [~~licensed under Chapter 241~~].

23 SECTION 15. Section 294.101(b), Health and Safety Code, is
24 amended to read as follows:

25 (b) Not later than the fifth [~~10th~~] day before the date of
26 the hearing required under Subsection (a), the commissioners court
27 of the county shall publish notice of the hearing in a newspaper of

1 general circulation in the county.

2 SECTION 16. Section 294.103(c), Health and Safety Code, is
3 amended to read as follows:

4 (c) Money deposited to the local provider participation
5 fund may be used only to:

6 (1) fund intergovernmental transfers from the county
7 to the state to provide:

8 (A) the nonfederal share of a Medicaid
9 supplemental payment program authorized under the state Medicaid
10 plan, the Texas Healthcare Transformation and Quality Improvement
11 Program waiver issued under Section 1115 of the federal Social
12 Security Act (42 U.S.C. Section 1315), or a successor waiver
13 program authorizing similar Medicaid supplemental payment
14 programs; or

15 (B) payments to Medicaid managed care
16 organizations that are dedicated for payment to hospitals;

17 (2) subsidize indigent programs;

18 (3) pay the administrative expenses of the county
19 solely for activities under this chapter;

20 (4) refund a portion of a mandatory payment collected
21 in error from a paying hospital; ~~and~~

22 (5) refund to paying hospitals the proportionate share
23 of money received by the county from the Health and Human Services
24 Commission that is not used to fund the nonfederal share of Medicaid
25 supplemental payment program payments; and

26 (6) refund to paying hospitals the proportionate share
27 of money that the county determines cannot be used to fund the

1 nonfederal share of Medicaid supplemental payment program
2 payments.

3 SECTION 17. Section 294.152, Health and Safety Code, is
4 amended to read as follows:

5 Sec. 294.152. ASSESSMENT AND COLLECTION OF MANDATORY
6 PAYMENTS. The county may collect or, using a competitive bidding
7 process, contract for the assessment and collection of mandatory
8 payments authorized under this chapter [~~(a) Except as provided by~~
9 ~~Subsection (b), the county tax assessor-collector shall collect the~~
10 ~~mandatory payment authorized under this chapter. The county tax~~
11 ~~assessor-collector shall charge and deduct from mandatory payments~~
12 ~~collected for the county a fee for collecting the mandatory payment~~
13 ~~in an amount determined by the commissioners court of the county,~~
14 ~~not to exceed the county tax assessor-collector's usual and~~
15 ~~customary charges.~~

16 [~~(b) If determined by the commissioners court to be~~
17 ~~appropriate, the commissioners court may contract for the~~
18 ~~assessment and collection of mandatory payments in the manner~~
19 ~~provided by Title 1, Tax Code, for the assessment and collection of~~
20 ~~ad valorem taxes.~~

21 [~~(c) Revenue from a fee charged by a county tax~~
22 ~~assessor-collector for collecting the mandatory payment shall be~~
23 ~~deposited in the county general fund and, if appropriate, shall be~~
24 ~~reported as fees of the county tax assessor-collector].~~

25 SECTION 18. Section 295.101(b), Health and Safety Code, is
26 amended to read as follows:

27 (b) Not later than the fifth [~~10th~~] day before the date of

1 the hearing required under Subsection (a), the governing body of
2 the municipality shall publish notice of the hearing in a newspaper
3 of general circulation in the municipality.

4 SECTION 19. Section 295.103(c), Health and Safety Code, is
5 amended to read as follows:

6 (c) Money deposited to the local provider participation
7 fund may be used only to:

8 (1) fund intergovernmental transfers from the
9 municipality to the state to provide:

10 (A) the nonfederal share of a Medicaid
11 supplemental payment program authorized under the state Medicaid
12 plan, the Texas Healthcare Transformation and Quality Improvement
13 Program waiver issued under Section 1115 of the federal Social
14 Security Act (42 U.S.C. Section 1315), or a successor waiver
15 program authorizing similar Medicaid supplemental payment
16 programs; or

17 (B) payments to Medicaid managed care
18 organizations that are dedicated for payment to hospitals;

19 (2) subsidize indigent programs;

20 (3) pay the administrative expenses of the
21 municipality solely for activities under this chapter;

22 (4) refund a portion of a mandatory payment collected
23 in error from a paying hospital; ~~and~~

24 (5) refund to paying hospitals the proportionate share
25 of money received by the municipality from the Health and Human
26 Services Commission that is not used to fund the nonfederal share of
27 Medicaid supplemental payment program payments; and

1 (6) refund to paying hospitals the proportionate share
2 of money that the governing body of the municipality determines
3 cannot be used to fund the nonfederal share of Medicaid
4 supplemental payment program payments.

5 SECTION 20. Section 295.152, Health and Safety Code, is
6 amended to read as follows:

7 Sec. 295.152. ASSESSMENT AND COLLECTION OF MANDATORY
8 PAYMENTS. The municipality may collect or, using a competitive
9 bidding process, contract for the assessment and collection of
10 mandatory payments authorized under this chapter [~~(a) Except as~~
11 ~~provided by Subsection (b), the municipal tax assessor-collector~~
12 ~~shall collect the mandatory payment authorized under this chapter.~~
13 ~~The municipal tax assessor-collector shall charge and deduct from~~
14 ~~mandatory payments collected for the municipality a fee for~~
15 ~~collecting the mandatory payment in an amount determined by the~~
16 ~~governing body of the municipality, not to exceed the municipal tax~~
17 ~~assessor-collector's usual and customary charges.~~

18 ~~[(b) If determined by the governing body to be appropriate,~~
19 ~~the governing body may contract for the assessment and collection~~
20 ~~of mandatory payments in the manner provided by Title 1, Tax Code,~~
21 ~~for the assessment and collection of ad valorem taxes.~~

22 ~~[(c) Revenue from a fee charged by a municipal tax~~
23 ~~assessor-collector for collecting the mandatory payment shall be~~
24 ~~deposited in the municipal general fund and, if appropriate, shall~~
25 ~~be reported as fees of the municipal tax assessor-collector].~~

26 SECTION 21. Section 296.101(b), Health and Safety Code, is
27 amended to read as follows:

1 (b) Not later than the fifth ~~[10th]~~ day before the date of
2 the hearing required under Subsection (a), the commissioners court
3 of the county shall publish notice of the hearing in a newspaper of
4 general circulation in the county.

5 SECTION 22. Section 296.103(c), Health and Safety Code, is
6 amended to read as follows:

7 (c) Money deposited to the local provider participation
8 fund may be used only to:

9 (1) fund intergovernmental transfers from the county
10 to the state to provide:

11 (A) the nonfederal share of a Medicaid
12 supplemental payment program authorized under the state Medicaid
13 plan, the Texas Healthcare Transformation and Quality Improvement
14 Program waiver issued under Section 1115 of the federal Social
15 Security Act (42 U.S.C. Section 1315), or a successor waiver
16 program authorizing similar Medicaid supplemental payment
17 programs; or

18 (B) payments to Medicaid managed care
19 organizations that are dedicated for payment to hospitals;

20 (2) subsidize indigent programs;

21 (3) pay the administrative expenses of the county
22 solely for activities under this chapter;

23 (4) refund a portion of a mandatory payment collected
24 in error from a paying hospital; ~~[and]~~

25 (5) refund to paying hospitals the proportionate share
26 of money received by the county from the Health and Human Services
27 Commission that is not used to fund the nonfederal share of Medicaid

1 supplemental payment program payments; and

2 (6) refund to paying hospitals the proportionate share
3 of money that the county determines cannot be used to fund the
4 nonfederal share of Medicaid supplemental payment program
5 payments.

6 SECTION 23. Section 296.152, Health and Safety Code, is
7 amended to read as follows:

8 Sec. 296.152. ASSESSMENT AND COLLECTION OF MANDATORY
9 PAYMENTS. The county may collect or, using a competitive bidding
10 process, contract for the assessment and collection of mandatory
11 payments authorized under this chapter [~~(a) Except as provided by~~
12 ~~Subsection (b), the county tax assessor-collector shall collect the~~
13 ~~mandatory payment authorized under this chapter. The county tax~~
14 ~~assessor-collector shall charge and deduct from mandatory payments~~
15 ~~collected for the county a fee for collecting the mandatory payment~~
16 ~~in an amount determined by the commissioners court of the county,~~
17 ~~not to exceed the county tax assessor-collector's usual and~~
18 ~~customary charges.~~

19 [~~(b) If determined by the commissioners court to be~~
20 ~~appropriate, the commissioners court may contract for the~~
21 ~~assessment and collection of mandatory payments in the manner~~
22 ~~provided by Title 1, Tax Code, for the assessment and collection of~~
23 ~~ad valorem taxes.~~

24 [~~(c) Revenue from a fee charged by a county tax~~
25 ~~assessor-collector for collecting the mandatory payment shall be~~
26 ~~deposited in the county general fund and, if appropriate, shall be~~
27 ~~reported as fees of the county tax assessor-collector].~~

SECTION 24. Section 297.001(1), Health and Safety Code, is amended to read as follows:

(1) "Institutional health care provider" means a nonpublic hospital that provides inpatient hospital services ~~[licensed under Chapter 241]~~.

SECTION 25. Section 297.101(b), Health and Safety Code, is amended to read as follows:

(b) Not later than the fifth ~~[10th]~~ day before the date of the hearing required under Subsection (a), the commissioners court of the county shall publish notice of the hearing in a newspaper of general circulation in the county.

SECTION 26. Section 297.103(c), Health and Safety Code, is amended to read as follows:

(c) Money deposited to the local provider participation fund may be used only to:

(1) fund intergovernmental transfers from the county to the state to provide:

(A) the nonfederal share of a Medicaid supplemental payment program authorized under the state Medicaid plan, the Texas Healthcare Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315), or a successor waiver program authorizing similar Medicaid supplemental payment programs; or

(B) payments to Medicaid managed care organizations that are dedicated for payment to hospitals;

(2) subsidize indigent programs;

1 (3) pay the administrative expenses of the county
2 solely for activities under this chapter;

3 (4) refund a portion of a mandatory payment collected
4 in error from a paying hospital; ~~and~~

5 (5) refund to paying hospitals the proportionate share
6 of money received by the county from the Health and Human Services
7 Commission that is not used to fund the nonfederal share of Medicaid
8 supplemental payment program payments; and

9 (6) refund to paying hospitals the proportionate share
10 of money that the county determines cannot be used to fund the
11 nonfederal share of Medicaid supplemental payment program
12 payments.

13 SECTION 27. Section 297.152, Health and Safety Code, is
14 amended to read as follows:

15 Sec. 297.152. ASSESSMENT AND COLLECTION OF MANDATORY
16 PAYMENTS. The county may collect or, using a competitive bidding
17 process, contract for the assessment and collection of mandatory
18 payments authorized under this chapter ~~[(a) Except as provided by~~
19 ~~Subsection (b), the county tax assessor-collector shall collect the~~
20 ~~mandatory payment authorized under this chapter. The county tax~~
21 ~~assessor-collector shall charge and deduct from mandatory payments~~
22 ~~collected for the county a fee for collecting the mandatory payment~~
23 ~~in an amount determined by the commissioners court of the county,~~
24 ~~not to exceed the county tax assessor-collector's usual and~~
25 ~~customary charges.~~

26 ~~[(b) If determined by the commissioners court to be~~
27 ~~appropriate, the commissioners court may contract for the~~

~~assessment and collection of mandatory payments in the manner
provided by Title 1, Tax Code, for the assessment and collection of
ad valorem taxes.~~

~~[(c) Revenue from a fee charged by a county tax
assessor-collector for collecting the mandatory payment shall be
deposited in the county general fund and, if appropriate, shall be
reported as fees of the county tax assessor-collector].~~

SECTION 28. Subtitle D, Title 4, Health and Safety Code, is
amended by adding Chapter 298B to read as follows:

CHAPTER 298B. TARRANT COUNTY HOSPITAL DISTRICT HEALTH CARE PROVIDER

PARTICIPATION PROGRAM

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 298B.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of hospital managers of
the district.

(2) "District" means the Tarrant County Hospital
District.

(3) "Institutional health care provider" means a
nonpublic hospital located in the district that provides inpatient
hospital services.

(4) "Paying provider" means an institutional health
care provider required to make a mandatory payment under this
chapter.

(5) "Program" means the health care provider
participation program authorized by this chapter.

Sec. 298B.002. APPLICABILITY. This chapter applies only to
the Tarrant County Hospital District.

1 Sec. 298B.003. HEALTH CARE PROVIDER PARTICIPATION PROGRAM;
2 PARTICIPATION IN PROGRAM. The board may authorize the district to
3 participate in a health care provider participation program on the
4 affirmative vote of a majority of the board, subject to the
5 provisions of this chapter.

6 Sec. 298B.004. EXPIRATION OF AUTHORITY. (a) Subject to
7 Sections 298B.153(d) and 298B.154, the authority of the district to
8 administer and operate a program under this chapter expires
9 December 31, 2019.

10 (b) Subsection (a) does not affect the authority of the
11 district to require and collect a mandatory payment under Section
12 298B.154 after December 31, 2019, if necessary.

13 SUBCHAPTER B. POWERS AND DUTIES OF BOARD

14 Sec. 298B.051. LIMITATION ON AUTHORITY TO REQUIRE MANDATORY
15 PAYMENT. The board may require a mandatory payment authorized
16 under this chapter by an institutional health care provider in the
17 district only in the manner provided by this chapter.

18 Sec. 298B.052. RULES AND PROCEDURES. The board may adopt
19 rules relating to the administration of the program, including
20 collection of the mandatory payments, expenditures, audits, and any
21 other administrative aspects of the program.

22 Sec. 298B.053. INSTITUTIONAL HEALTH CARE PROVIDER
23 REPORTING. If the board authorizes the district to participate in a
24 program under this chapter, the board shall require each
25 institutional health care provider to submit to the district a copy
26 of any financial and utilization data required by and reported to
27 the Department of State Health Services under Sections 311.032 and

1 311.033 and any rules adopted by the executive commissioner of the
2 Health and Human Services Commission to implement those sections.

3 SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS

4 Sec. 298B.101. HEARING. (a) In each year that the board
5 authorizes a program under this chapter, the board shall hold a
6 public hearing on the amounts of any mandatory payments that the
7 board intends to require during the year and how the revenue derived
8 from those payments is to be spent.

9 (b) Not later than the fifth day before the date of the
10 hearing required under Subsection (a), the board shall publish
11 notice of the hearing in a newspaper of general circulation in the
12 district and provide written notice of the hearing to each
13 institutional health care provider in the district.

14 Sec. 298B.102. DEPOSITORY. (a) If the board requires a
15 mandatory payment authorized under this chapter, the board shall
16 designate one or more banks as a depository for the district's local
17 provider participation fund.

18 (b) All funds collected under this chapter shall be secured
19 in the manner provided for securing other district funds.

20 Sec. 298B.103. LOCAL PROVIDER PARTICIPATION FUND;
21 AUTHORIZED USES OF MONEY. (a) If the district requires a mandatory
22 payment authorized under this chapter, the district shall create a
23 local provider participation fund.

24 (b) The local provider participation fund consists of:

25 (1) all revenue received by the district attributable
26 to mandatory payments authorized under this chapter;

27 (2) money received from the Health and Human Services

1 Commission as a refund of an intergovernmental transfer under the
2 program, provided that the intergovernmental transfer does not
3 receive a federal matching payment; and

4 (3) the earnings of the fund.

5 (c) Money deposited to the local provider participation
6 fund of the district may be used only to:

7 (1) fund intergovernmental transfers from the
8 district to the state to provide the nonfederal share of Medicaid
9 payments for:

10 (A) uncompensated care payments to nonpublic
11 hospitals affiliated with the district, if those payments are
12 authorized under the Texas Healthcare Transformation and Quality
13 Improvement Program waiver issued under Section 1115 of the federal
14 Social Security Act (42 U.S.C. Section 1315);

15 (B) uniform rate enhancements for nonpublic
16 hospitals in the Medicaid managed care service area in which the
17 district is located;

18 (C) payments available under another waiver
19 program authorizing payments that are substantially similar to
20 Medicaid payments to nonpublic hospitals described by Paragraph (A)
21 or (B); or

22 (D) any reimbursement to nonpublic hospitals for
23 which federal matching funds are available;

24 (2) subject to Section 298B.151(d), pay the
25 administrative expenses of the district in administering the
26 program, including collateralization of deposits;

27 (3) refund a mandatory payment collected in error from

1 a paying provider;

2 (4) refund to paying providers a proportionate share
3 of the money that the district:

4 (A) receives from the Health and Human Services
5 Commission that is not used to fund the nonfederal share of Medicaid
6 supplemental payment program payments; or

7 (B) determines cannot be used to fund the
8 nonfederal share of Medicaid supplemental payment program
9 payments;

10 (5) transfer funds to the Health and Human Services
11 Commission if the district is legally required to transfer the
12 funds to address a disallowance of federal matching funds with
13 respect to programs for which the district made intergovernmental
14 transfers described by Subdivision (1); and

15 (6) reimburse the district if the district is required
16 by the rules governing the uniform rate enhancement program
17 described by Subdivision (1)(B) to incur an expense or forego
18 Medicaid reimbursements from the state because the balance of the
19 local provider participation fund is not sufficient to fund that
20 rate enhancement program.

21 (d) Money in the local provider participation fund may not
22 be commingled with other district funds.

23 (e) Notwithstanding any other provision of this chapter,
24 with respect to an intergovernmental transfer of funds described by
25 Subsection (c)(1) made by the district, any funds received by the
26 state, district, or other entity as a result of that transfer may
27 not be used by the state, district, or any other entity to:

1 (1) expand Medicaid eligibility under the Patient
2 Protection and Affordable Care Act (Pub. L. No. 111-148) as amended
3 by the Health Care and Education Reconciliation Act of 2010 (Pub. L.
4 No. 111-152); or

5 (2) fund the nonfederal share of payments to nonpublic
6 hospitals available through the Medicaid disproportionate share
7 hospital program or the delivery system reform incentive payment
8 program.

9 SUBCHAPTER D. MANDATORY PAYMENTS

10 Sec. 298B.151. MANDATORY PAYMENTS BASED ON PAYING PROVIDER
11 NET PATIENT REVENUE. (a) Except as provided by Subsection (e), if
12 the board authorizes a health care provider participation program
13 under this chapter, the board may require an annual mandatory
14 payment to be assessed on the net patient revenue of each
15 institutional health care provider located in the district. The
16 board may provide for the mandatory payment to be assessed
17 quarterly. In the first year in which the mandatory payment is
18 required, the mandatory payment is assessed on the net patient
19 revenue of an institutional health care provider as determined by
20 the data reported to the Department of State Health Services under
21 Sections 311.032 and 311.033 in the most recent fiscal year for
22 which that data was reported. If the institutional health care
23 provider did not report any data under those sections, the
24 provider's net patient revenue is the amount of that revenue as
25 contained in the provider's Medicare cost report submitted for the
26 previous fiscal year or for the closest subsequent fiscal year for
27 which the provider submitted the Medicare cost report. If the

1 mandatory payment is required, the district shall update the amount
2 of the mandatory payment on an annual basis.

3 (b) The amount of a mandatory payment authorized under this
4 chapter must be uniformly proportionate with the amount of net
5 patient revenue generated by each paying provider in the district
6 as permitted under federal law. A health care provider
7 participation program authorized under this chapter may not hold
8 harmless any institutional health care provider, as required under
9 42 U.S.C. Section 1396b(w).

10 (c) If the board requires a mandatory payment authorized
11 under this chapter, the board shall set the amount of the mandatory
12 payment, subject to the limitations of this chapter. The aggregate
13 amount of the mandatory payments required of all paying providers
14 in the district may not exceed six percent of the aggregate net
15 patient revenue from hospital services provided by all paying
16 providers in the district.

17 (d) Subject to Subsection (c), if the board requires a
18 mandatory payment authorized under this chapter, the board shall
19 set the mandatory payments in amounts that in the aggregate will
20 generate sufficient revenue to cover the administrative expenses of
21 the district for activities under this chapter and to fund an
22 intergovernmental transfer described by Section 298B.103(c)(1).
23 The annual amount of revenue from mandatory payments that shall be
24 paid for administrative expenses by the district is \$150,000, plus
25 the cost of collateralization of deposits, regardless of actual
26 expenses.

27 (e) A paying provider may not add a mandatory payment

1 required under this section as a surcharge to a patient.

2 (f) A mandatory payment assessed under this chapter is not a
3 tax for hospital purposes for purposes of Section 4, Article IX,
4 Texas Constitution, or Section 281.045.

5 Sec. 298B.152. ASSESSMENT AND COLLECTION OF MANDATORY
6 PAYMENTS. (a) The district may designate an official of the
7 district or contract with another person to assess and collect the
8 mandatory payments authorized under this chapter.

9 (b) The person charged by the district with the assessment
10 and collection of mandatory payments shall charge and deduct from
11 the mandatory payments collected for the district a collection fee
12 in an amount not to exceed the person's usual and customary charges
13 for like services.

14 (c) If the person charged with the assessment and collection
15 of mandatory payments is an official of the district, any revenue
16 from a collection fee charged under Subsection (b) shall be
17 deposited in the district general fund and, if appropriate, shall
18 be reported as fees of the district.

19 Sec. 298B.153. PURPOSE; CORRECTION OF INVALID PROVISION OR
20 PROCEDURE; LIMITATION OF AUTHORITY. (a) The purpose of this chapter
21 is to authorize the district to establish a program to enable the
22 district to collect mandatory payments from institutional health
23 care providers to fund the nonfederal share of a Medicaid
24 supplemental payment program or the Medicaid managed care rate
25 enhancements for nonpublic hospitals to support the provision of
26 health care by institutional health care providers to district
27 residents in need of health care.

1 (b) This chapter does not authorize the district to collect
2 mandatory payments for the purpose of raising general revenue or
3 any amount in excess of the amount reasonably necessary to fund the
4 nonfederal share of a Medicaid supplemental payment program or
5 Medicaid managed care rate enhancements for nonpublic hospitals and
6 to cover the administrative expenses of the district associated
7 with activities under this chapter.

8 (c) To the extent any provision or procedure under this
9 chapter causes a mandatory payment authorized under this chapter to
10 be ineligible for federal matching funds, the board may provide by
11 rule for an alternative provision or procedure that conforms to the
12 requirements of the federal Centers for Medicare and Medicaid
13 Services. A rule adopted under this section may not create, impose,
14 or materially expand the legal or financial liability or
15 responsibility of the district or an institutional health care
16 provider in the district beyond the provisions of this chapter.
17 This section does not require the board to adopt a rule.

18 (d) The district may only assess and collect a mandatory
19 payment authorized under this chapter if a waiver program, uniform
20 rate enhancement, or reimbursement described by Section
21 298B.103(c)(1) is available to the district.

22 Sec. 298B.154. FEDERAL DISALLOWANCE. Notwithstanding any
23 other provision of this chapter, if the Centers for Medicare and
24 Medicaid Services issues a disallowance of federal matching funds
25 for a purpose for which intergovernmental transfers described by
26 Section 298B.103(c)(1) were made and the Health and Human Services
27 Commission demands repayment from the district of federal funds

1 paid to the district for that purpose, the district may require and
2 collect mandatory payments from each paying provider that received
3 those federal funds in an amount sufficient to satisfy the
4 repayment demand made by the commission. The percentage limitation
5 prescribed by Section 298B.151(c) does not apply to a mandatory
6 payment required under this section.

7 SECTION 29. As soon as practicable after the expiration of
8 the authority of the Tarrant County Hospital District to administer
9 and operate a health care provider participation program under
10 Chapter 298B, Health and Safety Code, as added by this Act, the
11 board of hospital managers of the Tarrant County Hospital District
12 shall transfer to each institutional health care provider in the
13 district that provider's proportionate share of any remaining funds
14 in any local provider participation fund created by the district
15 under Section 298B.103, Health and Safety Code, as added by this
16 Act.

17 SECTION 30. If before implementing any provision of Chapter
18 298B, Health and Safety Code, as added by this Act, a state agency
19 determines that a waiver or authorization from a federal agency is
20 necessary for implementation of that provision, the agency affected
21 by the provision shall request the waiver or authorization and may
22 delay implementing that provision until the waiver or authorization
23 is granted.

24 SECTION 31. This Act takes effect immediately if it
25 receives a vote of two-thirds of all the members elected to each
26 house, as provided by Section 39, Article III, Texas Constitution.
27 If this Act does not receive the vote necessary for immediate

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1 effect, this Act takes effect September 1, 2017.

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No equivalent provision.

SECTION 1. Section 288.155(c), Health and Safety Code, is amended.

SECTION 2. Among other provisions, Section 288.202, Health and Safety Code, is amended to read as follows:
Sec. 288.202. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. The district may collect or contract for the assessment and collection of mandatory payments required under this chapter ~~[(a) Except as provided by Subsection (b), the county tax assessor-collector shall collect a mandatory payment required under this subchapter. The county tax assessor-collector shall charge and deduct from mandatory payments collected for the district a fee for collecting the mandatory payment in an amount determined by the commission, not to exceed the county tax assessor-collector's usual and customary charges.~~

No equivalent provision.

HOUSE VERSION (IE)

SECTION __. Section 288.151(b), Health and Safety Code, is amended to read as follows:
(b) Not later than the fifth ~~[10th]~~ day before the date of the hearing, the commission shall publish at least once notice of the hearing in a newspaper of general circulation in the county in which the district is located. [FA1(1)]

SECTION 1. Same as Senate version.

SECTION 2. Same as Senate version except as follows:

Sec. 288.202. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. The district may collect or, using a competitive bidding process, contract for the assessment and collection of mandatory payments required under this chapter ~~[(a) Except as provided by Subsection (b), the county tax assessor-collector shall collect a mandatory payment required under this subchapter. The county tax assessor-collector shall charge and deduct from mandatory payments collected for the district a fee for collecting the mandatory payment in an amount determined by the commission, not to exceed the county tax assessor-collector's usual and customary charges.~~ [FA2(1)]

SECTION __. Section 291.101(b), Health and Safety Code, is amended to read as follows:
(b) Not later than the fifth ~~[10th]~~ day before the date of the hearing required under Subsection (a), the commissioners court of the county shall publish notice of the hearing in a newspaper of general circulation in the county. [FA1(2)]

CONFERENCE

SECTION 1. Same as House version.

SECTION 2. Same as Senate version.

SECTION 3. Same as House version.

SECTION 4. Same as House version.

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SECTION 3. Section 291.103(c), Health and Safety Code, is amended.

SECTION 4. Among other provisions, Section 291.152, Health and Safety Code, is amended to read as follows:
Sec. 291.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. ~~The county may collect or contract for the assessment and collection of mandatory payments authorized under this chapter [(a) Except as provided by Subsection (b), the county tax assessor collector shall collect the mandatory payment authorized under this chapter. The county tax assessor collector shall charge and deduct from mandatory payments collected for the county a fee for collecting the mandatory payment in an amount determined by the commissioners court of the county, not to exceed the county tax assessor collector's usual and customary charges.~~

No equivalent provision.

SECTION 5. Section 292.103(c), Health and Safety Code, is amended.

SECTION 6. Among other provisions, Section 292.152, Health and Safety Code, is amended to read as follows:
Sec. 292.152. ASSESSMENT AND COLLECTION OF

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SECTION 3. Same as Senate version.

SECTION 4. Same as Senate version except as follows:

Sec. 291.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. The county may collect or, using a competitive bidding process, contract for the assessment and collection of mandatory payments authorized under this chapter [(a) Except as provided by Subsection (b), the county tax assessor collector shall collect the mandatory payment authorized under this chapter. The county tax assessor collector shall charge and deduct from mandatory payments collected for the county a fee for collecting the mandatory payment in an amount determined by the commissioners court of the county, not to exceed the county tax assessor collector's usual and customary charges. [FA2(2)]

SECTION __. Section 292.101(b), Health and Safety Code, is amended to read as follows:
(b) Not later than the fifth ~~[10th]~~ day before the date of the hearing required under Subsection (a), the commissioners court of the county shall publish notice of the hearing in a newspaper of general circulation in the county. [FA1(3)]

SECTION 5. Same as Senate version.

SECTION 6. Same as Senate version except as follows:

Sec. 292.152. ASSESSMENT AND COLLECTION OF

CONFERENCE

SECTION 5. Same as Senate version.

SECTION 6. Same as House version.

SECTION 7. Same as House version.

SECTION 8. Same as Senate version.

SECTION 9. Same as House version.

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MANDATORY PAYMENTS. ~~The county may collect or contract for the assessment and collection of mandatory payments authorized under this chapter [(a) Except as provided by Subsection (b), the county tax assessor collector shall collect the mandatory payment authorized under this chapter. The county tax assessor collector shall charge and deduct from mandatory payments collected for the county a fee for collecting the mandatory payment in an amount determined by the commissioners court of the county, not to exceed the county tax assessor collector's usual and customary charges.~~

SECTION 7. Section 293.001(1), Health and Safety Code, is amended.

No equivalent provision.

SECTION 8. Section 293.103(c), Health and Safety Code, is amended.

SECTION 9. Among other provisions, Section 293.152, Health and Safety Code, is amended to read as follows:
Sec. 293.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. The county may collect or contract for the assessment and collection of mandatory payments authorized under this chapter [(a) Except as

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MANDATORY PAYMENTS. The county may collect or, **using a competitive bidding process**, contract for the assessment and collection of mandatory payments authorized under this chapter [(a) Except as provided by Subsection (b), the county tax assessor collector shall collect the mandatory payment authorized under this chapter. The county tax assessor collector shall charge and deduct from mandatory payments collected for the county a fee for collecting the mandatory payment in an amount determined by the commissioners court of the county, not to exceed the county tax assessor collector's usual and customary charges.
[FA2(3)]

SECTION 7. Same as Senate version.

SECTION __. Section 293.101(b), Health and Safety Code, is amended to read as follows:
(b) Not later than the fifth ~~[40th]~~ day before the date of the hearing required under Subsection (a), the commissioners court of the county shall publish notice of the hearing in a newspaper of general circulation in the county. [FA1(4)]

SECTION 8. Same as Senate version.

SECTION 9. Same as Senate version except as follows:

Sec. 293.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. The county may collect or, **using a competitive bidding process**, contract for the assessment and collection of mandatory payments authorized

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SECTION 10. Same as Senate version.

SECTION 11. Same as House version.

SECTION 12. Same as Senate version.

SECTION 13. Same as House version.

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~~provided by Subsection (b), the county tax assessor collector shall collect the mandatory payment authorized under this chapter. The county tax assessor collector shall charge and deduct from mandatory payments collected for the county a fee for collecting the mandatory payment in an amount determined by the commissioners court of the county, not to exceed the county tax assessor collector's usual and customary charges.~~

SECTION 10. Section 294.001(1), Health and Safety Code, is amended.

No equivalent provision.

SECTION 11. Section 294.103(c), Health and Safety Code, is amended.

SECTION 12. Among other provisions, Section 294.152, Health and Safety Code, is amended to read as follows:
Sec. 294.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. The county may collect or contract for the assessment and collection of mandatory payments authorized under this chapter ~~[(a) Except as provided by Subsection (b), the county tax assessor collector shall collect the mandatory payment authorized under this chapter. The county tax assessor collector shall charge and~~

HOUSE VERSION (IE)

under this chapter ~~[(a) Except as provided by Subsection (b), the county tax assessor collector shall collect the mandatory payment authorized under this chapter. The county tax assessor collector shall charge and deduct from mandatory payments collected for the county a fee for collecting the mandatory payment in an amount determined by the commissioners court of the county, not to exceed the county tax assessor collector's usual and customary charges.~~
[FA2(4)]

SECTION 10. Same as Senate version.

SECTION __. Section 294.101(b), Health and Safety Code, is amended to read as follows:
(b) Not later than the fifth ~~[10th]~~ day before the date of the hearing required under Subsection (a), the commissioners court of the county shall publish notice of the hearing in a newspaper of general circulation in the county. [FA1(5)]

SECTION 11. Same as Senate version.

SECTION 12. Same as Senate version except as follows:

Sec. 294.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. The county may collect or, using a competitive bidding process, contract for the assessment and collection of mandatory payments authorized under this chapter ~~[(a) Except as provided by Subsection (b), the county tax assessor collector shall collect the mandatory payment authorized under this chapter. The county tax~~

CONFERENCE

SECTION 14. Same as Senate version.

SECTION 15. Same as House version.

SECTION 16. Same as Senate version.

SECTION 17. Same as House version.

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~~deduct from mandatory payments collected for the county a fee for collecting the mandatory payment in an amount determined by the commissioners court of the county, not to exceed the county tax assessor collector's usual and customary charges.~~

No equivalent provision.

SECTION 13. Section 295.103(c), Health and Safety Code, is amended.

SECTION 14. Among other provisions, Section 295.152, Health and Safety Code, is amended to read as follows:
Sec. 295.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. The municipality may collect or contract for the assessment and collection of mandatory payments authorized under this chapter ~~[(a) Except as provided by Subsection (b), the municipal tax assessor collector shall collect the mandatory payment authorized under this chapter. The municipal tax assessor collector shall charge and deduct from mandatory payments collected for the municipality a fee for collecting the mandatory payment in an amount determined by the governing body of the municipality, not to exceed the municipal tax assessor collector's usual and customary charges.~~

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~~assessor collector shall charge and deduct from mandatory payments collected for the county a fee for collecting the mandatory payment in an amount determined by the commissioners court of the county, not to exceed the county tax assessor collector's usual and customary charges.~~
[FA2(5)]

SECTION __. Section 295.101(b), Health and Safety Code, is amended to read as follows:
(b) Not later than the fifth ~~[10th]~~ day before the date of the hearing required under Subsection (a), the governing body of the municipality shall publish notice of the hearing in a newspaper of general circulation in the municipality.
[FA1(6)]

SECTION 13. Same as Senate version.

SECTION 14. Same as Senate version except as follows:

Sec. 295.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. The municipality may collect or, using a competitive bidding process, contract for the assessment and collection of mandatory payments authorized under this chapter ~~[(a) Except as provided by Subsection (b), the municipal tax assessor collector shall collect the mandatory payment authorized under this chapter. The municipal tax assessor collector shall charge and deduct from mandatory payments collected for the municipality a fee for collecting the mandatory payment in an amount determined by the governing body of the municipality, not to exceed the municipal tax assessor collector's usual and customary~~

CONFERENCE

SECTION 18. Same as House version.

SECTION 19. Same as Senate version.

SECTION 20. Same as House version.

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No equivalent provision.

SECTION 15. Section 296.103(c), Health and Safety Code, is amended.

SECTION 16. Among other provisions, Section 296.152, Health and Safety Code, is amended to read as follows:
Sec. 296.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. The county may collect or contract for the assessment and collection of mandatory payments authorized under this chapter ~~[(a) Except as provided by Subsection (b), the county tax assessor collector shall collect the mandatory payment authorized under this chapter. The county tax assessor collector shall charge and deduct from mandatory payments collected for the county a fee for collecting the mandatory payment in an amount determined by the commissioners court of the county, not to exceed the county tax assessor collector's usual and customary~~ charges.

SECTION 17. Section 297.001(1), Health and Safety Code, is amended.

~~charges.~~ [FA2(6)]

SECTION __. Section 296.101(b), Health and Safety Code, is amended to read as follows:
(b) Not later than the fifth ~~[10th]~~ day before the date of the hearing required under Subsection (a), the commissioners court of the county shall publish notice of the hearing in a newspaper of general circulation in the county. [FA1(7)]

SECTION 15. Same as Senate version.

SECTION 16. Same as Senate version except as follows:

Sec. 296.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. The county may collect or, **using a competitive bidding process,** contract for the assessment and collection of mandatory payments authorized under this chapter ~~[(a) Except as provided by Subsection (b), the county tax assessor collector shall collect the mandatory payment authorized under this chapter. The county tax assessor collector shall charge and deduct from mandatory payments collected for the county a fee for collecting the mandatory payment in an amount determined by the commissioners court of the county, not to exceed the county tax assessor collector's usual and customary~~ charges. [FA2(7)]

SECTION 17. Same as Senate version.

SECTION 21. Same as House version.

SECTION 22. Same as Senate version.

SECTION 23. Same as House version.

SECTION 24. Same as Senate version.

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No equivalent provision.

SECTION 18. Section 297.103(c), Health and Safety Code, is amended.

SECTION 19. Among other provisions, Section 297.152, Health and Safety Code, is amended to read as follows:
Sec. 297.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. ~~The county may collect or contract for the assessment and collection of mandatory payments authorized under this chapter [(a) Except as provided by Subsection (b), the county tax assessor collector shall collect the mandatory payment authorized under this chapter. The county tax assessor collector shall charge and deduct from mandatory payments collected for the county a fee for collecting the mandatory payment in an amount determined by the commissioners court of the county, not to exceed the county tax assessor collector's usual and customary charges.~~

No equivalent provision.

HOUSE VERSION (IE)

SECTION __. Section 297.101(b), Health and Safety Code, is amended to read as follows:
(b) Not later than the fifth ~~[10th]~~ day before the date of the hearing required under Subsection (a), the commissioners court of the county shall publish notice of the hearing in a newspaper of general circulation in the county. [FA1(8)]

SECTION 18. Same as Senate version.

SECTION 19. Same as Senate version except as follows:

Sec. 297.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. The county may collect or, using a competitive bidding process, contract for the assessment and collection of mandatory payments authorized under this chapter [(a) Except as provided by Subsection (b), the county tax assessor collector shall collect the mandatory payment authorized under this chapter. The county tax assessor collector shall charge and deduct from mandatory payments collected for the county a fee for collecting the mandatory payment in an amount determined by the commissioners court of the county, not to exceed the county tax assessor collector's usual and customary charges. [FA2(8)]

Same as Senate version.

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SECTION 25. Same as House version.

SECTION 26. Same as Senate version.

SECTION 27. Same as House version.

SECTION 28. Subtitle D, Title 4, Health and Safety Code, is amended by adding Chapter 298B to read as follows:
CHAPTER 298B. TARRANT COUNTY HOSPITAL DISTRICT HEALTH CARE PROVIDER PARTICIPATION PROGRAM
SUBCHAPTER A. GENERAL PROVISIONS

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Sec. 298B.001. DEFINITIONS. In this chapter:
(1) "Board" means the board of hospital managers of the district.
(2) "District" means the Tarrant County Hospital District.
(3) "Institutional health care provider" means a nonpublic hospital located in the district that provides inpatient hospital services.
(4) "Paying provider" means an institutional health care provider required to make a mandatory payment under this chapter.
(5) "Program" means the health care provider participation program authorized by this chapter.
Sec. 298B.002. APPLICABILITY. This chapter applies only to the Tarrant County Hospital District.
Sec. 298B.003. HEALTH CARE PROVIDER PARTICIPATION PROGRAM; PARTICIPATION IN PROGRAM. The board may authorize the district to participate in a health care provider participation program on the affirmative vote of a majority of the board, subject to the provisions of this chapter.
Sec. 298B.004. EXPIRATION OF AUTHORITY. (a) Subject to Sections 298B.153(d) and 298B.154, the authority of the district to administer and operate a program under this chapter expires December 31, 2019.
(b) Subsection (a) does not affect the authority of the district to require and collect a mandatory payment under Section 298B.154 after December 31, 2019, if necessary.
SUBCHAPTER B. POWERS AND DUTIES OF BOARD
Sec. 298B.051. LIMITATION ON AUTHORITY TO REQUIRE MANDATORY PAYMENT. The board may require a mandatory payment authorized under this chapter by an institutional health care provider in the district only in the

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manner provided by this chapter.
Sec. 298B.052. RULES AND PROCEDURES. The board may adopt rules relating to the administration of the program, including collection of the mandatory payments, expenditures, audits, and any other administrative aspects of the program.
Sec. 298B.053. INSTITUTIONAL HEALTH CARE PROVIDER REPORTING. If the board authorizes the district to participate in a program under this chapter, the board shall require each institutional health care provider to submit to the district a copy of any financial and utilization data required by and reported to the Department of State Health Services under Sections 311.032 and 311.033 and any rules adopted by the executive commissioner of the Health and Human Services Commission to implement those sections.
SUBCHAPTER C. GENERAL FINANCIAL PROVISIONS
Sec. 298B.101. HEARING. (a) In each year that the board authorizes a program under this chapter, the board shall hold a public hearing on the amounts of any mandatory payments that the board intends to require during the year and how the revenue derived from those payments is to be spent.
(b) Not later than the fifth day before the date of the hearing required under Subsection (a), the board shall publish notice of the hearing in a newspaper of general circulation in the district and provide written notice of the hearing to each institutional health care provider in the district.
Sec. 298B.102. DEPOSITORY. (a) If the board requires a mandatory payment authorized under this chapter, the board shall designate one or more banks as a depository for the district's local provider participation fund.
(b) All funds collected under this chapter shall be secured in the manner provided for securing other district funds.

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Sec. 298B.103. LOCAL PROVIDER PARTICIPATION FUND; AUTHORIZED USES OF MONEY. (a) If the district requires a mandatory payment authorized under this chapter, the district shall create a local provider participation fund.

(b) The local provider participation fund consists of:

(1) all revenue received by the district attributable to mandatory payments authorized under this chapter;

(2) money received from the Health and Human Services Commission as a refund of an intergovernmental transfer under the program, provided that the intergovernmental transfer does not receive a federal matching payment; and

(3) the earnings of the fund.

(c) Money deposited to the local provider participation fund of the district may be used only to:

(1) fund intergovernmental transfers from the district to the state to provide the nonfederal share of Medicaid payments for:

(A) uncompensated care payments to nonpublic hospitals affiliated with the district, if those payments are authorized under the Texas Healthcare Transformation and Quality Improvement Program waiver issued under Section 1115 of the federal Social Security Act (42 U.S.C. Section 1315);

(B) uniform rate enhancements for nonpublic hospitals in the Medicaid managed care service area in which the district is located;

(C) payments available under another waiver program authorizing payments that are substantially similar to Medicaid payments to nonpublic hospitals described by Paragraph (A) or (B); or

(D) any reimbursement to nonpublic hospitals for which federal matching funds are available;

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(2) subject to Section 298B.151(d), pay the administrative expenses of the district in administering the program, including collateralization of deposits;
(3) refund a mandatory payment collected in error from a paying provider;
(4) refund to paying providers a proportionate share of the money that the district:
(A) receives from the Health and Human Services Commission that is not used to fund the nonfederal share of Medicaid supplemental payment program payments; or
(B) determines cannot be used to fund the nonfederal share of Medicaid supplemental payment program payments;
(5) transfer funds to the Health and Human Services Commission if the district is legally required to transfer the funds to address a disallowance of federal matching funds with respect to programs for which the district made intergovernmental transfers described by Subdivision (1); and
(6) reimburse the district if the district is required by the rules governing the uniform rate enhancement program described by Subdivision (1)(B) to incur an expense or forego Medicaid reimbursements from the state because the balance of the local provider participation fund is not sufficient to fund that rate enhancement program.
(d) Money in the local provider participation fund may not be commingled with other district funds.
(e) Notwithstanding any other provision of this chapter, with respect to an intergovernmental transfer of funds described by Subsection (c)(1) made by the district, any funds received by the state, district, or other entity as a result of that transfer may not be used by the state, district, or any other entity to:
(1) expand Medicaid eligibility under the Patient Protection and Affordable Care Act (Pub. L. No. 111-148) as amended

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by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152); or
(2) fund the nonfederal share of payments to nonpublic hospitals available through the Medicaid disproportionate share hospital program or the delivery system reform incentive payment program.
SUBCHAPTER D. MANDATORY PAYMENTS
Sec. 298B.151. MANDATORY PAYMENTS BASED ON PAYING PROVIDER NET PATIENT REVENUE. (a) Except as provided by Subsection (e), if the board authorizes a health care provider participation program under this chapter, the board may require an annual mandatory payment to be assessed on the net patient revenue of each institutional health care provider located in the district. The board may provide for the mandatory payment to be assessed quarterly. In the first year in which the mandatory payment is required, the mandatory payment is assessed on the net patient revenue of an institutional health care provider as determined by the data reported to the Department of State Health Services under Sections 311.032 and 311.033 in the most recent fiscal year for which that data was reported. If the institutional health care provider did not report any data under those sections, the provider's net patient revenue is the amount of that revenue as contained in the provider's Medicare cost report submitted for the previous fiscal year or for the closest subsequent fiscal year for which the provider submitted the Medicare cost report. If the mandatory payment is required, the district shall update the amount of the mandatory payment on an annual basis.
(b) The amount of a mandatory payment authorized under this chapter must be uniformly proportionate with the amount of net patient revenue generated by each paying provider in

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the district as permitted under federal law. A health care provider participation program authorized under this chapter may not hold harmless any institutional health care provider, as required under 42 U.S.C. Section 1396b(w).

(c) If the board requires a mandatory payment authorized under this chapter, the board shall set the amount of the mandatory payment, subject to the limitations of this chapter. The aggregate amount of the mandatory payments required of all paying providers in the district may not exceed six percent of the aggregate net patient revenue from hospital services provided by all paying providers in the district.

(d) Subject to Subsection (c), if the board requires a mandatory payment authorized under this chapter, the board shall set the mandatory payments in amounts that in the aggregate will generate sufficient revenue to cover the administrative expenses of the district for activities under this chapter and to fund an intergovernmental transfer described by Section 298B.103(c)(1). The annual amount of revenue from mandatory payments that shall be paid for administrative expenses by the district is \$150,000, plus the cost of collateralization of deposits, regardless of actual expenses.

(e) A paying provider may not add a mandatory payment required under this section as a surcharge to a patient.

(f) A mandatory payment assessed under this chapter is not a tax for hospital purposes for purposes of Section 4, Article IX, Texas Constitution, or Section 281.045.

Sec. 298B.152. ASSESSMENT AND COLLECTION OF MANDATORY PAYMENTS. (a) The district may designate an official of the district or contract with another person to assess and collect the mandatory payments authorized under this chapter.

(b) The person charged by the district with the assessment

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and collection of mandatory payments shall charge and deduct from the mandatory payments collected for the district a collection fee in an amount not to exceed the person's usual and customary charges for like services.

(c) If the person charged with the assessment and collection of mandatory payments is an official of the district, any revenue from a collection fee charged under Subsection (b) shall be deposited in the district general fund and, if appropriate, shall be reported as fees of the district.

Sec. 298B.153. PURPOSE; CORRECTION OF INVALID PROVISION OR PROCEDURE; LIMITATION OF AUTHORITY. (a) The purpose of this chapter is to authorize the district to establish a program to enable the district to collect mandatory payments from institutional health care providers to fund the nonfederal share of a Medicaid supplemental payment program or the Medicaid managed care rate enhancements for nonpublic hospitals to support the provision of health care by institutional health care providers to district residents in need of health care.

(b) This chapter does not authorize the district to collect mandatory payments for the purpose of raising general revenue or any amount in excess of the amount reasonably necessary to fund the nonfederal share of a Medicaid supplemental payment program or Medicaid managed care rate enhancements for nonpublic hospitals and to cover the administrative expenses of the district associated with activities under this chapter.

(c) To the extent any provision or procedure under this chapter causes a mandatory payment authorized under this chapter to be ineligible for federal matching funds, the board may provide by rule for an alternative provision or procedure that conforms to the requirements of the federal Centers for

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Medicare and Medicaid Services. A rule adopted under this section may not create, impose, or materially expand the legal or financial liability or responsibility of the district or an institutional health care provider in the district beyond the provisions of this chapter. This section does not require the board to adopt a rule.

(d) The district may only assess and collect a mandatory payment authorized under this chapter if a waiver program, uniform rate enhancement, or reimbursement described by Section 298B.103(c)(1) is available to the district.

Sec. 298B.154. FEDERAL DISALLOWANCE. Notwithstanding any other provision of this chapter, if the Centers for Medicare and Medicaid Services issues a disallowance of federal matching funds for a purpose for which intergovernmental transfers described by Section 298B.103(c)(1) were made and the Health and Human Services Commission demands repayment from the district of federal funds paid to the district for that purpose, the district may require and collect mandatory payments from each paying provider that received those federal funds in an amount sufficient to satisfy the repayment demand made by the commission. The percentage limitation prescribed by Section 298B.151(c) does not apply to a mandatory payment required under this section.

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

No equivalent provision.

Same as Senate version.

SECTION 29. As soon as practicable after the expiration of the authority of the Tarrant County Hospital District to administer and operate a health care provider participation

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No equivalent provision.

Same as Senate version.

SECTION 20. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

SECTION 20. Same as Senate version.

program under Chapter 298B, Health and Safety Code, as added by this Act, the board of hospital managers of the Tarrant County Hospital District shall transfer to each institutional health care provider in the district that provider's proportionate share of any remaining funds in any local provider participation fund created by the district under Section 298B.103, Health and Safety Code, as added by this Act.

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

SECTION 30. If before implementing any provision of Chapter 298B, Health and Safety Code, as added by this Act, a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

[The conference committee may have exceeded the limitations imposed on its jurisdiction, but only the presiding officer can make the final determination on this issue.]

SECTION 31. Same as Senate version.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 27, 2017

TO: Honorable Dan Patrick, Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1462 by Hinojosa (Relating to the creation and operation of certain local health care provider participation programs.), **Conference Committee Report**

No significant fiscal implication to the State is anticipated.

The bill amends Chapters 288, and 291 through 297 of the Health and Safety Code, which authorizes health care provider participation program in certain counties. The bill would authorize county-created hospital districts, instead of county tax assessors, to contract for the assessment and the collection of mandatory payments from nonpublic hospitals. These payments are deposited into a local provider participation fund to fund intergovernmental transfers and subsidize indigent care programs. Intergovernmental transfers are used by the Health and Human Services Commission (HHSC) as the nonfederal share to draw down Medicaid supplemental payments. The bill would expand the allowable use of these mandatory payments for payments to Medicaid managed care organizations that are dedicated for payment to hospitals. The bill would also authorize mandatory payments to be used to refund paying hospitals funds that are not used for Texas Medicaid supplemental payments.

The nonfederal share of Texas Medicaid supplemental payments is provided largely by local public funds provided to the Health and Human Services Commission by intergovernmental transfer. The bill's provisions do not contain any implications for state General Revenue funds. HHSC reports that there would be no significant fiscal impact to the agency resulting from implementation of the bill. The Comptroller of Public Accounts does not anticipate any fiscal impact to the state.

The bill would amend the Health and Safety Code allowing the Tarrant County Hospital District to participate in a health care provider participation program. The authority of the district to administer and operate this program expires December 31, 2019.

The bill would take effect on September 1, 2017, or immediately with a vote of two-thirds of all members in both houses.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable

fiscal implication on units of local government.

Source Agencies: 529 Health and Human Services Commission, 304 Comptroller of Public Accounts

LBB Staff: UP, JGA, MH

Certification of Compliance with
Rule 13, Section 6(b), House Rules of Procedure

Rule 13, Section 6(b), House Rules of Procedure, requires a copy of a conference committee report signed by a majority of each committee of the conference to be furnished to each member of the committee in person or, if unable to deliver in person, by placing a copy in the member's newspaper mailbox at least one hour before the report is furnished to each member of the house under Rule 13, Section 10(a). The paper copies of the report submitted to the chief clerk under Rule 13, Section 10(b), must contain a certificate that the requirement of Rule 13, Section 6(b), has been satisfied, and that certificate must be attached to the copy of the report furnished to each member under Rule 13, Section 10(d). Failure to comply with this requirement is not a sustainable point of order under Rule 13.

I certify that a copy of the conference committee report on SB 1462 was furnished to each member of the conference committee in compliance with Rule 13, Section 6(b), House Rules of Procedure, before submission of the paper copies of the report to the chief clerk under Rule 13, Section 10(b), House Rules of Procedure.


(name)

5/27/17
(date)

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